Industry Canada Industrie Canada

Canada

Opening Remarks
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Minister of Industry

Canada 3.0: Defining Canada's Digital Future

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Check Against Delivery

Thank you very much for those kind words. Good morning et bonjours!

Let me begin by congratulating Open Text, the Canadian Digital Media Network and the University of Waterloo's Stratford Institute for their vision in organizing this conference.

Canada 3.0 is a very appropriate title for this conference because it invites us all to look further ahead, to take the longer perspective. To imagine what the future could bring, and then begin to prepare for it — indeed, to create it.

This conference also has perfect timing! Just a few weeks ago Prime Minister Stephen Harper and I had the opportunity to meet with CEOs from some of Canada's leading information and communication technology (ICT) companies to hear their ideas and understand their vision and hear their views in your industry. A couple of weeks from now, I will be co-chairing a forum on the digital economy that aims to identify the broad strokes of a digital action plan for Canada. Canada 3.0 is perfectly positioned to inform these discussions and help shape the agenda.

So, hats off to the organizers and to all of you for coming here today to share your passion, enthusiasm, energy and ideas about the future of the digital economy.

Let me just say, at the outset, that I believe that digital media is poised to transform our economy in ways we have not yet imagined. Indeed, to become a new engine of economic growth. As you know, the Council of Canadian Academies has recently highlighted new media as having tremendous future potential for growth in Canada. Worldwide, the digital media sector is expected to grow to US$2.2 trillion over the next five years.

So, enormous potential, and incredible opportunities for a country as rich in talent and technology as ours. Which is why our government is committed to developing — in consultation with you and other experts — an action plan on the digital economy. One that will secure Canada's position at the leading edge, driving innovation and prosperity for decades to come.

Now, I know, as you do, that the future of digital media in Canada will be created by people like you whose effort and ingenuity on a daily basis are generating ideas, creating new applications and developing new markets. You have a unique opportunity: you are defining an industry.

That said, the role for government, and there is one, is in creating the economic conditions that

will enable you to succeed — by implementing the right tax and fiscal policies that will encourage key investment and reward private initiative.

Prime Minister Harper and I understand this. Our government understands this. We see the importance of digital media — of the digital economy at large and the opportunity it represents for Canada and Canadians. You have told us of the unique strengths Canada brings. And as your sector evolves from film, TV and gaming into medical imaging, virtual manufacturing and other areas of everyday life, the digital economy will become an even more integral part of our lives, and with that incredible opportunities are opening up for people with ideas.

More broadly, we know the importance of leveraging ICT to propel our economic growth and enhance our quality of life. That is why we made it one of the four priority areas in our Science and Technology Strategy. S&T has been a consistent priority for our government. We see that Canada can be a world leader in innovation, science and technology, and we want to do what we can to encourage that leadership.

Success in the digital economy begins with putting in place the basic building blocks — the policies and initiatives — that will support it. And we've already begun.

In October 2007, Industry Canada hosted an Organisation for Economic Co-operation and Development (OECD) forum on the participatory web to better understand the impact of new collaborative web services that are enabling users to develop and distribute web content. In particular, the forum looked at how to deal with transformative content creation, innovation, greater openness and access, while ensuring the rights of creators.

This forum did important work and made a major contribution to the OECD Ministerial Meeting on the Future of the Internet Economy, which was held last summer in Seoul.

Let me just say that one of the components of the participatory web that I find most interesting is how governments can interact more effectively with citizens. As interactive platforms emerge, I think we will see a fundamental change in how governments consult, how citizens participate in democracy and how services are delivered.

All government departments and agencies have a website, and many offer online services, but I think it's still early days. I know that we can do more so certainly in a room like this I invite you to share with us your ideas on how government can use the web better — both to provide information and services and to encourage greater engagement among citizens.

Enhancing trust and confidence in the Internet is a key concern. As Canadians move even more online, they need to have confidence that their transactions are safe and their privacy secure. And that means they need to be free from threats and malware — counterfeit websites, spyware and spam on the Internet.

This is a particularly urgent issue here in Canada, because we have the dubious distinction of being the source of almost five percent of the world's spam. In fact, measured as a percentage of spam that originates in a particular country, Canada stands fourth in the world, behind Russia and just ahead of Brazil. In fact, Canada is home to 17 of 40 of the world's highest volume spammers. This must change, and I can tell you that I am committed to making sure it does.

A 2007 Ipsos Reid poll found that Canadians receive an average of 130 spam messages a week — up 51 percent from the previous year. And a 2008 Phoenix survey of Canadian CEOs reported that fully 80 percent considered spam to be a problem for their company in wasted time and lost productivity.

As the only G8 country not to have anti-spam laws, we knew it was high time to act — and we did. In April, we introduced the proposed Electronic Commerce Protection Act — significant legislation

aimed at protecting the privacy and personal security of Canadians who use the Internet and boosting confidence in the electronic marketplace.

This proposed legislation targets spam, identity theft, phishing and spyware and proposes a consent-based approach to email marketing. When passed, prior consent from the recipient would be needed before marketers could send their messages.

We understand the threat so we gave the proposed law real teeth — with administrative monetary penalties of up to a maximum of $1 million per violation for individuals and up to $10 million for businesses. Penalties that Michael Geist, the Canada Research Chair in Internet and E-commerce Law at the University of Ottawa, has called "some of the toughest ... in the world." In addition, we have proposed a private right of action that would allow consumers and businesses to take civil action against anyone violating the act.

Our message to spammers is clear: we do not want you, we will not tolerate you and, if you try to operate in Canada, we **will** come after you.

Understanding the participatory web and moving to protect Canadians' online transactions are important steps forward in developing the digital economy and encouraging the adoption of ICT, but our government understands that more is required.

That is why, even as we wrestled with the worst economic crisis in a generation, Budget 2009 — Canada's Economic Action Plan — targeted a number of specific actions to energize the ICT sector. All told, nearly $1.5 billion was devoted to this effort.

We are investing in one of the key elements of 21st-century infrastructure: broadband access. As you know, broadband is a key component of a digital economy, enabling richer content, faster speeds and multiple applications. Believe it or not, there are still some Canadians with limited or no access to broadband — and this is particularly true of those living in rural and remote areas.

Canada's Economic Action Plan provided $225 million over three years to extend broadband coverage to unserved and underserved communities. We hope that this money will leverage additional investment to expand access for many Canadians to important economic and social benefits, including online health services, business opportunities and distance learning. Expansion of internet access will encourage economic development, spur innovation and improve the quality of life in hundreds of communities across the country. This is certainly a goal we must aspire to.

As you know better than most, ICT has a profound impact on businesses large and small, enabling them to better serve their customers, near and far. It transforms how they manage their supply chains, expand their reach, enhance their ability to access information, gain market share and customize their products. Saving time. Improving quality. And making their operations more efficient. It was said to me recently that the digital revolution is as profound as the industrial revolution.

To encourage greater adoption of this transformational technology, Canada's Economic Action Plan delivered a 100-percent capital cost allowance for computer hardware and systems software. The Information Technology Association of Canada (ITAC) has estimated that this measure alone will have a $700 million effect on the ICT marketplace over the next two years.

Our Action Plan has provided $500 million for the Canada Health Infoway, with the goal of enabling 50 percent of Canadians to have access to their health records electronically by 2010. As a former Minister of Health, I can tell you that electronic health records hold tremendous potential — not only to reduce wait times, but also to improve care and save money. The technology is available, the benefits are clear and the time is now.

As Minister Goodyear mentioned, we have increased our support for the Industrial Research

Assistance Program (IRAP), which provides both technical and business advisory services, as well as financial support, to growth-oriented small and medium-sized enterprises (SMEs). The $200 million committed to IRAP will allow it to double its contribution to emerging companies — and create an additional 600 graduate internship positions in science and business.

And, just a few weeks ago, Minister of State Diane Ablonczy announced the Small Business Internship Program, which will help SME's hire 400 student interns annually to help with ICT projects, improving their productivity and competitiveness.

This is all very good news for your industry.

In a digital economy driven by ideas, imagination and ingenuity our greatest natural resource is a highly educated work force. One way the government can help is by investing in research related to higher education. And that's just what we're doing by expanding the Canada Graduate Scholarships Program and increasing funding for the national granting councils.

Budget 2008 created the Vanier Canada Graduate Scholarships Program, designed to attract and retain world-class doctoral students who demonstrate leadership skills and a high standard of scholarly achievement in doctoral studies.

The Vanier Canada Graduate Scholarships Program will support up to 500 world-class doctoral students annually, helping to enrich our university campuses now and into the future.

The Canadian Institutes of Health Research, the Social Sciences and Humanities Research Council, and the Natural Sciences and Engineering Research Council received successive increases of $40 million a year, $85 million a year, and $80 million a year in the 2006, 2007, and 2008 budgets, respectively. These increases are cumulative, permanent and ongoing.

Some of the most innovative and truly amazing research is being conducted at the Perimeter Institute for Theoretical Physics, in Waterloo. Canada's Economic Action Plan provided $50 million to the Perimeter Institute so that it could continue to contribute key concepts to fields as diverse as astronomy, neuroscience, pure mathematics and computer science. I was thrilled to learn in November that Dr. Stephen Hawking accepted the first Distinguished Research Chair at the Institute.

In April, following another commitment from our Economic Action Plan, we announced a strategic $50-million investment in the Institute for Quantum Computing (IQC) at the University of Waterloo. This investment will help make Canada a global leader in the field of quantum technology and attract some of the best and brightest researchers and students from Canada and around the world.

More broadly, Canada's Economic Action Plan continued to lower corporate taxes, making our companies more competitive and our country more attractive to foreign investment. The current rate of around 22 percent is now on a trajectory to reach 15 percent by 2012 — the lowest corporate rate in the G7. Together with the tax measures in our previous budgets, the federal tax is falling to its lowest level in 50 years.

I was delighted that, overall, our Economic Action Plan was so well received by the ICT community and that ITAC gave it such a high rating. Mr. Bernard Courtois, ITAC's President and CEO, calling it, and I quote, "good for our industry, but ... also a great benefit for the broader economy. It's very wise public policy." End quote.

Very wise public policy is what the digital economy demands. And it is what our government is working hard to provide. By understanding its importance. Making it a priority. Funding those things that will fuel it and facilitate its growth. And then trying to map, as your conference materials say, Canada's digital future to create opportunities for new business and jobs.

Above all, we're committed to working with — and listening to — those of you who know the digital economy best. Soliciting your input and your ideas, so that, as a country, Canada doesn't simply **participate** in the digital economy, but **leads** it.

I thank you for your vision, your drive, and your inspiration. In your field literally whatever you dream can become a reality, and that reality can be good for your fellow Canadians, if not the whole world.

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